



CITY OF KENT

BUSINESS & OCCUPATION TAX RETURN

Please make checks payable to the City of Kent

Organization Name: _____

Address: _____

City/State/Zip: _____

Washington State UBI No. : _____

SECTION I: Business Changes

Please note any changes in your business:

- ☐ Business closed or sold. Please note date & new owner below.
- ☐ Business moved. Please note new address below.
- ☐ Address-Location ___ or Mailing ___ Please note new address(es) below.
- ☐ Phone - Please note new phone number below.
- ☐ Entity Change (ex: Incorporated) - Please note type of change below.

MAIL TAX RETURNS TO:

City of Kent B&O Tax
P.O. Box 84665
Seattle, WA 98124-5965

WA State Tax Registration Number (TRN)	City Business License Number	Tax Reporting Period (Quarter/Year)	Date Due (See Instructions)

SECTION II: Gross Receipts Tax (Kent City Code 3.28 & 3.29)

Line No.	Tax Classification Column 1	Gross Receipts Column 2	Less Exemption Column 3	Deductions * Column 4 <small>From Schedule C</small>	Taxable Receipts Column 5	Tax Rate Column 6	Tax Due Column 7
1	Manufacturing/ Processing for Hire/Extracting for Hire					0.00046	
2	Wholesaling					0.00152	
3	Retailing					0.00046	
4	Retail Service					0.00152	
5	Service & Other (Not apportioned)					0.00152	
6	Service & Other (Apportioned)*	Carryover from Schedule A ▶ ▶ ▶ ▶				0.00152	
7	Printing/Publishing					0.00046	
8	Extracting					0.00152	
9	Less Multiple Activities Tax Credit*	Carryover from Schedule B ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶					()
10	Total Gross Receipts Tax						

*To be allowed deductions and credits, you must complete appropriate schedules.

SECTION III: Square Footage Tax (Kent City Code 3.28 & 3.29)

Line No.	Square Footage Classification Column 1	Total Sq Feet Column 2	Non-Taxable Sq Feet Column 3	Taxable Sq Feet Column 4	Tax Rate Column 5	Tax Due Column 6*
11	Business Warehouse Floor Space				\$0.03	
12	Other Business Floor Space				\$0.01	
13	Total Square Footage Tax	Add Totals from lines 11 and 12 ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶				
14	Less Gross Receipts Tax	Enter Total from line 10 ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶				
15	Total	Subtract line 14 from line 13. If less than zero, enter "0".				

* Square Footage Thresholds:

If the taxable square feet (Column 4) are equal to or less than both of the following, then no tax is due:

Business Warehouse – 4,000 square ft.

Other Business – 12,000 square ft.

If either threshold is exceeded, then tax is due on all combined taxable square feet (Business Warehouse plus Other Business).

I hereby swear, under penalty of perjury, that the statements and information provided on this tax return are true and complete to the best of my knowledge.

SECTION IV:

Enter Total Tax Due (line 10 plus line 15)	
Penalty (See Instructions)	
Interest – 2% per annum	
Prior Account Balance	
Total Due	

Signature: _____ Date: _____ E-mail: _____

Name: _____ Title: _____ Phone: _____

Instructions for the Business & Occupation Tax Return

Every person, firm, association or corporation doing business in the city, unless otherwise exempted, is subject to the city business & occupation tax and must file a tax return. There are two components to the City of Kent's business & occupation tax: a gross receipts category and a square footage category. In general, a business will report in either the gross receipts or the square footage tax category. Occasionally a business will report in both categories. You must file a return even if no tax is due.

Detailed instructions and descriptions of the various tax classifications and allowed deductions for certain business activities are provided in the City of Kent's Guide to the City's Business & Occupation Tax and in Chapter 3.28 and 3.29 of the Kent City Code. If you have any questions or would like to request a copy of the guide, please contact the Finance Department at (253) 856-6266 or by email at Finance@KentWA.gov. For more information visit our website at www.KentWA.gov.

SECTION I: Check any applicable box and provide specific details in the space provided. Enter the Tax Reporting Number (TRN), City Business License Number, Tax Reporting Period (Quarter/Year), and Date Due (last day of the month following the end of the quarter). The TRN is the same nine-digit number used for the State of Washington Combined Excise Tax Return. A separate tax return is required for each TRN used by your business for Kent activity. Enter only one city business license number for each tax return. A separate City business license is required for each facility your business maintains within city limits.

SECTION II: If your business generates gross receipts, determine which business tax classification(s) relate to your business activity (Column 1). Businesses conducting several types of activities may report in more than one tax classification.

- a. Column 2:** Enter your gross receipts on the appropriate tax gross receipts classification line.
- b. Column 3:** Taxpayers may exclude up to \$62,500 of gross receipts in each reporting period. If more than one tax classification is used, then allocate this exemption amount on a proportionate basis based on total gross receipts per line 10 Column 2 of the Business & Occupation Tax Return and the exemption per line 13 of Schedule A – Service Income Apportionment Detail. The total of these amounts must not exceed \$62,500.
- c. Column 4:** Enter amounts of any deduction that you are entitled to for each tax classification per Schedule C. These deductions include, but are not limited to, cash discounts taken by purchasers and credit losses or bad debts sustained by sellers.
- d. Column 5:** Subtract the values entered in Columns 3 and 4 from those entered in Column 2, and enter the result in Column 5. If the amount is less than or equal to zero, then enter "0" in Column 5.
- e. Column 7:** If the total amount in column 5 is greater than zero, multiply the tax rate listed in Column 6 for each tax classification by the taxable amount entered in Column 5. Enter the result in Column 7. Add the values entered in Column 7 less any multiple activities tax credit and enter the results in the Section II Total Gross Receipts Tax box.

SECTION III: Complete Section III if your business owns or operates any facilities inside of Kent city limits. Refer to Section 3.28.050 (2) of the Kent City Code for more information regarding the square footage tax component.

- a. Column 2:** Enter the total square footage of business warehouse floor space area and/or other business floor space area (such as office space) on the appropriate line. Persons with more than one office, warehouse, or other place of business within the City must include all building warehouse floor space and other business floor space for all locations within the City. Any other business floor space area associated with a business floor space facility should be separately identified. If the square footage changed during the reporting quarter, then calculate the average square footage based on the number of days before and after the change, e.g. Remodel on June 1 increases square footage from 10,000 to 20,000 square feet should be reported as \$13,297 ((10,000 times 61 days plus 20,000 times 30 days) divided by 91 days)
- b. Column 3:** Enter the total non-taxable square footage. This amount would be floor space not used for commercial/business purposes. Examples include, but are not limited to, stairs, restrooms and janitor closets.
- c. Column 4:** Subtract the non-taxable square feet in Column 3 from the total square feet in Column 2. Enter result in Column 4 "Taxable Square Feet".
- d. Column 6:** Lines 11 and 12: If the amounts in Column 4 are less than the threshold levels noted at the bottom of Section III, enter "0" in Column 6. If either amount in Column 4 is greater than the established threshold, multiply the tax rate listed in Column 5 by the taxable square feet entered in Column 4 for both lines 11 and 12. Enter the result in Column 6.
Line 13: Add lines 11 and 12 and enter in Column 6.
Line 14: Enter the Gross Receipts Tax from line 10.
Line 15: Subtract line 14 from line 13. If the amount is less than zero, enter "0". If greater than zero, enter amount in Column 6.

SECTION IV:

- a.** Add the Total Gross Receipts Tax (line 10) from Section II and Total (line 15) from Section III.
- b.** If tax return and payment are overdue, calculate the penalty on the larger of the Total Due from Sections II and III. Enter penalty amount in the field provided. Penalties are calculated as follows:
 - 1 day to 1 month overdue..... 5% (\$5 minimum)
 - Over 1 month to 2 months 15% (\$5 minimum)
 - Over 2 months..... 25% (\$5 minimum)
- c.** If overdue, calculate interest on the total tax due and enter the amount in the field provided. All overdue tax balances are subject to an annual interest charge (2% divided by 365 days x tax due x days outstanding).
- d.** Add Total Tax Due, Penalty, Interest and Prior Account Balance, and enter the result in the field provided.
- e.** Sign and date your return.